



Financial Strength Frequently Asked Questions

1. Why is Brighthouse Financial requiring all employees across its six locations to work from home?

- As we continue to monitor the spread of COVID-19, government agencies and other officials are encouraging social distancing as an important way to slow the spread of the virus.
- We made the decision on March 13 to require all employees across our six locations to work from home until at least April 17 to heed the advice of our governmental agencies to help protect the health and safety of our employees, their families and their communities.

2. How will this remote-work arrangement affect the operations of Brighthouse Financial?

- All Brighthouse Financial employees have work-from-home capabilities, which allows us to continue normal operations.
- Our sales desks remain fully operational and are able to support calls.
- Our **Life Sales Desk** hours are Monday to Friday, 8:00 am to 6:00 pm EDT. Our **Annuity Sales Desk** hours are Monday to Thursday, 8:00 am to 8:00 pm EDT, and Friday, 8:00 am to 7:00 pm EDT.

3. How do I contact Brighthouse Financial?

- Brighthouse Financial can be reached at (800) 638-5433 Monday to Friday, 8:00 am to 8:00 pm EDT.
- For questions about **life insurance policies**, call (800) 638-5000; **individual annuities**, call (800) 638-7732; **disability policies**, call (844) 405-1390; **total control account**, call (800) 638-7283; **group annuities**, call (800) 560-5001; **all other products**, call (800) 638-5433.

4. Is Brighthouse Financial prepared for further impacts from COVID-19?

- Brighthouse Financial is committed to the well-being and safety of all its employees and their families, and we are closely monitoring the COVID-19 situation.
- Brighthouse Financial is built on a strong financial foundation, and we strive to protect our business by maintaining balance sheet strength through business and market cycles.
- We believe we have a strong balance sheet and cash position. At year-end 2019, our statutory combined total adjusted capital¹ was \$9.7 billion, and we had holding company liquid assets² of approximately \$800 million.
- We have reviewed our business continuity plans and will continue to take necessary precautions to ensure our employees' health and safety, while mitigating any potential impacts on business operations.

5. What does the drop in the 10-year Treasury yield mean for Brighthouse Financial?

- Brighthouse Financial, like all insurance companies, is impacted by the level of long-term interest rates – and the drop in the 10-year Treasury presents challenges for the financial services industry overall.
- We believe Brighthouse Financial has significant low rate protection, and over the past two-plus years we have successfully managed our capital markets exposures through the use of derivatives and existing capital on the balance sheet. We are pleased with our hedging program, which has historically performed in line with our expectations, in both favorable and unfavorable markets.

6. What does the market volatility mean for Brighthouse Financial?

- Brighthouse Financial, like other insurance companies, is impacted by market volatility.
- Over the past two-plus years, we have successfully managed our capital market exposures through the use of derivatives and existing capital on the balance sheet.
- We are pleased with our hedging program, which has historically performed in line with our expectations, in both favorable and unfavorable markets.
- Also, as we have disclosed, in the fourth quarter of 2019 we made revisions to our variable annuity hedging program that were substantially completed in mid-February and prior to recent market declines. We believe that this revision fundamentally lowered the risk profile of the company and preserves projected distributable earnings across different capital market scenarios.

7. Why did you revise your hedging strategy?

- Over the past two-plus years, our variable annuity hedging program has performed in line with our expectations.
- We have benefited from a strong stock market at the same time that we have become a much different company relative to when the initial hedging strategy was implemented.
- In the fourth quarter of 2019, we made revisions to our variable annuity hedging program that were substantially completed in mid-February and prior to recent market declines. We believe this revision fundamentally lowered the risk profile of the company and preserves projected distributable earnings across different capital market scenarios.

8. How will Brighthouse Financial keep products attractive to customers in a low-rate environment?

- We review pricing for all of our products on a regular basis and have the opportunity to update rates as frequently as twice per month for most of our annuities.
- As a part of the pricing process, we review capital markets inputs like interest rates and option costs, as well as the competitive landscape.
- Interest rates are a meaningful component of the pricing process, but pricing is also impacted by other components, such as option costs. For example, higher equity market volatility generally reduces option costs for our Brighthouse Shield® Level Annuities. Higher market volatility can also increase consumer interest in life insurance and annuity products that provide guarantees and deeper levels of protection.

9. In what other ways is Brighthouse Financial prepared for a downturn?

- We strive to protect our business by maintaining balance sheet strength through business and market cycles.
- Brighthouse Financial is built on a strong financial foundation.
- We believe we have a strong balance sheet and cash position. At year-end 2019, our statutory combined total adjusted capital¹ was \$9.7 billion.

¹ Statutory combined total adjusted capital primarily consists of statutory capital and surplus, as well as the statutory asset valuation reserve of the Brighthouse Financial insurance subsidiaries as a whole.

² Holding company liquid assets include liquid assets in Brighthouse Financial, Inc., Brighthouse Holdings, LLC, and Brighthouse Services, LLC. Liquid assets include cash and cash equivalents, short-term investments and publicly traded securities excluding assets that are pledged or otherwise committed. Assets pledged or otherwise committed include amounts received in connection with derivatives and collateral financing arrangements.

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